



## Althea Group Holdings Limited

### Pre-Quotation Disclosure

The following information is required to be provided to ASX Limited for release to the market in connection with the official quotation of the fully paid ordinary shares (**Shares**) in Althea Group Holdings Limited ACN 626 966 943 (ASX:AGH) (**Althea Holdings**).

Capitalised terms not defined in this document have the meanings given to them in the *Prospectus* lodged by Althea Holdings with the Australian Securities and Investments Commission on 4 September 2018 (**Prospectus**).

### 1 Capital Structure

The Offer the PAC Offer closed on 13 September 2018. The Offer and the PAC Offer were fully subscribed and Althea Holdings has completed the issue of:

- (1) 98,250,000 Shares at an issue price of \$0.20 per Share under the Offer; and
- (2) 3,060,000 Shares for nil consideration under the PAC Offer.

Althea Holdings has received cleared funds for the issue price of every Share issued under the Offer.

In addition, Althea Holdings has issued:

- (3) in aggregate, 2,675,000 options to acquire Shares under the *Althea Group Holdings Limited Long Term Incentive Plan (LTI Plan)* to the four individuals listed in section 7.3.9 of the Replacement Prospectus (**Pre-IPO Consultant Options**) – the terms and conditions of issue of these options are included in Annexure C; and
- (4) 5,100,000 performance rights in the Company to Mr Josh Fegan under the Company's LTI Plan and on the terms described in section 7.3.5 of the Replacement Prospectus,

As at the commencement of trading on the ASX, the entire capital structure of the Althea Group Holdings will comprise:

	Securities as at Prospectus Date	Securities on Listing
Shares	102,000,000	203,310,000
Pre-IPO Consultants	NIL	2,675,000
Performance Rights	NIL	5,100,000

## 2 Despatch

The Company confirms that the despatch of:

- (1) in relation to all holdings on the CHESSE sub-register, a notice from Althea Holdings under ASX Settlement Operating Rule 8.9.1;
- (2) in relation to all other holdings, issuer sponsored holding statements; and
- (3) any refund money,

occurred on 19 September 2018.

It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk.

## 3 Distribution Schedule

A distribution schedule of the numbers of holders is attached as Annexure A. Each of these is a holder of Shares with a value of more than \$2,000 based on the Offer Price.

## 4 Statement of 20 largest holders

A statement of the 20 largest holders of Shares is attached as Annexure B.

## 5 Restricted securities and Voluntary Escrow

The number of securities in the Company subject to escrow as restricted securities and the escrow period applying to those securities is as follows:

<b>Escrow period</b>	<b>Class of securities</b>	<b>Number of escrowed securities</b>
Until the date which is 24 months from quotation	Shares	71,590,361
Until the date which is 24 months from quotation	Pre-IPO Consultant Options	2,675,000
Until the date which is 24 months from quotation	Performance Rights	5,100,000

The number of securities in the Company subject to voluntary escrow and the escrow period applying to those securities is as follows:

<b>Escrow period</b>	<b>Class of securities</b>	<b>Number of escrowed Shares</b>
Until the date which is 18 months from quotation	Shares	10,000,000
Until the date which is 12 months from months from quotation	Shares	7,500,000

## 6 Free float

The Company confirms that at the time of admission to the official list of ASX it will have a free float of at least 20%.

## 7 Statement of commitments

For the purposes of ASX Listing Rule 1.3.2(b), Althea Holdings confirms the following commitments consistent with its business objectives specified in the Prospectus to spend at least half of its cash and assets in a form readily convertible to cash over the next two final years:

Available Cash	\$	%
Existing cash reserves	3,991,133	17%
Gross proceeds from the Offer	19,650,000	83%
<b>Total</b>	<b>23,641,133</b>	<b>100%</b>

Use of Available Cash	FY'19		FY'20		Total
	\$	%	\$	%	\$
Marketing and patient acquisition	1,559,372	6.6%	3,579,078	15.1%	5,138,450
Advertising and Concierge development	600,000	2.5%	300,000	1.3%	900,000
Design, construction, commissioning and completion of a fully scalable 4,080m <sup>2</sup> medicinal cannabis cultivation, extraction and manufacturing facility	4,329,811	18.3%	6,900,000	29.2%	11,229,811
Lease payments for site in Skye, Victoria on which proposed medicinal cannabis cultivation, extraction and manufacturing facility is to be constructed	\$75,000	0.3%	\$104,000	0.4%	\$179,000
Cultivation and production costs			1,100,000	4.7%	1,100,000
Administration and working capital	1,739,849	7.4%	2,018,677	8.5%	3,758,526
Costs of the Offer	1,335,346	5.6%			1,335,346
<b>Total</b>	<b>9,639,378</b>	<b>41%</b>	<b>14,001,755</b>	<b>59%</b>	<b>23,641,133</b>

## **8 No impediment statement**

The directors of Althea Holdings have confirmed that they have made enquiries and nothing has come to their attention that there are any:

- (1) legal, regulatory or contractual impediments to Althea Holdings undertaking the activities the subject of the commitments disclosed in section 8.4 of the Prospectus; or
- (2) legal impediments to Althea Holdings carrying out its proposed operations in Australia as disclosed in the Prospectus,

subject to Althea Group maintaining all existing licences, approvals and permits currently held and receiving all other necessary licences, approvals and permits described in the Prospectus.



Joshua Fegan  
CEO, Althea Group Holdings Limited

## **Annexure A – Distribution Schedule**

	1	1001	5001	10001	100001	
	to	to	to	to	to	* TOTAL *
*G0	1000	5000	10000	100000	(MAX)	
	/ORDINARY FULLY PAID SHARES					

Holders Issuer Chess Total Units Issuer Chess Total	 13 8 21  130000 80000 210000	 79 145 224  4361799 7125443 11487242	 49 49 98  144608272 47004486 191612758	 141 202 343  149100071 54209929 203310000
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TOTAL HOLDERS FOR CLASSES SELECTED 343

TOTAL UNITS " " " 203310000

## **Annexure B – Top 20 Shareholders**

CLASS GROUP: \*G0/ORDINARY FULLY PAID SHARES  
 HOLDER NO NAME AND ADDRESS

HOLDER NO	NAME AND ADDRESS	UNITS	% I/C	RANK
	JOSHUA MICHAEL FEGAN	56,250,000	27.67	1
	APHRIA INC	50,750,000	24.96	2
	MANCANN PTY LTD	10,000,000	4.92	3
	J P MORGAN NOMINEES AUSTRALIA LIMITED	7,550,000	3.71	4
	HOOTCH PTY LTD	7,500,000	3.69	5
	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,500,000	3.69	6
	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	5,250,000	2.58	7
	CITICORP NOMINEES PTY LIMITED	3,755,432	1.85	8
	UBS NOMINEES PTY LTD	3,619,568	1.78	9
	PAC PARTNERS PTY LTD	3,242,347	1.59	10
	NATIONAL NOMINEES LIMITED	3,125,000	1.54	11
	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	2,500,000	1.23	12
	NEWBOLD FAMILY SUPER FUND	1,500,000	0.74	13
	AUST EXECUTOR TRUSTEES LTD <CYAN C3G FUND>	1,250,000	0.61	14
	GLENEAGLE ASSET MANAGEMENT LTD <ALIUM ALPHA FUND>	1,049,791	0.52	15
	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,019,797	0.50	16
	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LTD <REGAL EMERGING CO FUND II>	899,821	0.44	17



BNP PARIBAS NOMS PTY LTD <DRP>	875,000	0.43	18
SAFARI CAPITAL PTY LTD	825,000	0.41	19
AET CT PTY LIMITED <VP CAPITAL FUND I>	750,000	0.37	20

	UNITS	% I/C	RANK
*** REPORT TOTAL ***	169,211,756	83.23	
*** REMAINDER ***	34,098,244	16.77	
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*** GRAND TOTAL ***	203,310,000	100.00	
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## **Annexure C – Terms and Conditions of Pre-IPO Consultant Options**

The Pre-IPO Consultant Options were issued to the four individuals listed in section 7.3.9 of the Prospectus on the terms and conditions for issue by Althea Holdings of options over Shares under the *Althea Group Holdings Limited Long Term Incentive Plan*, a copy of which has been released on the ASX Market Announcements Platform today.

The specific terms and conditions of issue of the Pre-IPO Consultant Options (in addition to those included in the LTI Plan) are as follows:

- **Date of Grant**

The Pre-IPO Consultant Options will be granted immediately prior to the date on which Althea Holdings lists on the Australian Securities Exchange (**ASX**).

- **Grant Price**

No amount is payable by the Pre-IPO Consultants for the grant of the Pre-IPO Consultant Options.

- **Exercise Price**

The exercise price for each Pre-IPO Consultant Option is \$0.20.

- **Exercise Period**

The period in which the Pre-IPO Consultant Options may be exercised:

- (1) commences on the Date of Grant; and
- (2) ends on the 4th anniversary of the Date of Grant (**Expiry Date**).

Any Pre-IPO Consultant Options that have not been exercised by the Expiry Date will lapse.

- **Disposal Restrictions**

The Pre-IPO Consultant Options must not be sold, transferred, assigned, mortgaged or otherwise dealt with except in the event of the death or legal incapacity of a Pre-IPO Consultant in which case they may be transferred to the relevant Pre-IPO Consultant's estate or legal personal representative.

Any Shares received on exercise of the Pre-IPO Consultant Options must not be sold, transferred, assigned, mortgaged or otherwise dealt with (including entering into any agreement with respect to voting rights) until the date which is 24 months after Althea Holdings lists on the ASX (**Escrow Period**).

Prior to the grant of the Pre-IPO Consultant Options, each Pre-IPO Consultant must enter into a "Restriction Agreement" or "Escrow Deed" in a form approved by ASX for the Escrow Period.